



The Latest Scams Circulating the Consumer World.



November 2010

## BE AWARE OF ADVERTISEMENTS FOR FREE CREDIT REPORTS



### FRAUD OF THE MONTH

#### The Hook

Advertisements for “free” credit reports on *FreeCreditReport.com*.

Annually checking your credit report and score is a very valuable tool. It can lead to a better understanding of your credit, allows you to catch any improper transactions, helps identify if you have been a victim of identity theft, and can help you maintain a good credit rating. A good credit rating can help you obtain financing at low rate, allow you to get a credit card at a low rate, helps with obtaining a job, and can overall reduce stress.



#### The Scam

Viewing your credit report annually under each of the three credit agencies (Experian, Equifax, and TransUnion) is available for free under federal law. However, you can only obtain your free annual report under the following website: [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com). This site was developed under the consumer protection agency through the Federal Trade Commission.

A for-profit company has been scamming individuals with the promise of free credit reports at *FreeCreditReport.com*. You have probably heard their catchy jingles on T.V. misleading individuals with false information. This company charges \$12.95 per month for a credit report and monthly monitoring. There is a “free” 30 day trial period, but if you do not cancel your membership, you will be automatically charged \$12.95 each month until your membership is cancelled.

FreeCreditReport.com has been investigated by the Federal Communications Commission (FCC) and was forced to pay fines. The attorney general of the State of Florida has also investigated FreeCreditReport.com. However, they still advertise their site and are very misleading.

#### The Lesson

Credit Reports are very useful information, not only to creditors and employers, but also to consumers. If you want to get a truly free, no obligation credit report, do it through the official government mandated website: [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com). To request your reports at this website, select your state and click the red “Request Report Button”. The Fair Credit Reporting Act requires each of the nationwide consumer reporting agencies (Equifax, Experian, and TransUnion) to provide you with a free copy at your request once every 12 months. Many other websites correctly recite the law and claim to offer you a “free” credit report, but may charge you for another related service. To make sure that you are not scammed by these companies, only go to the official website to get your credit reports.